



# City of Rochelle

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**TO: David Plyman, City Manager**

**FROM: Chris Limas, AICP  
Community Development Director**

**DATE: January 4, 2012**

**SUBJECT: TIF Inducement Resolution  
City of Rochelle and TESKA TIF Consulting Agreement**

Recently the City underwent a strategic planning workshop. As a result of this workshop certain goals were developed in regards to community development such as the need to fill retail vacancies, the need for more retail, developing a plan for the Downtown and the development of aggressive economic tools to attract, expand and maintain our current retail base. One of the most used tools by communities is the establishment of TIF District. The establishment of a TIF district allows a municipality to use the incremental property tax revenue generated by a new development or redevelopment of a property. This revenue can be used for items such as public infrastructure improvements, demolition of obsolete structures, façade improvements, land assembly, bond financing and planning.

City staff has reviewed the use of this economic development tools and proposes the establishment of three TIF Districts in the City which are the Northern Gateway, Southern Gateway and Downtown TIF Districts. Please see the attached map but note that at this stage of the TIF establishment process it only shows the proposed districts in concept and will be revised and finalized as we go through the establishment process. The establishment of these TIF Districts will be only one of the tools that will be used but it is one of the most important ones that need to be in place as we start to work on the goals of the Strategic Plan.

The first step is to pass an Inducement Resolution that declares the City's intent to work on establishing these TIF Districts. It does not bind the City into establishing these districts but gives notice to all of the taxing districts and the community that the City is exploring this. It also allows the clock to start on reimbursement by a TIF District if it is established.

The second step that needs to be done is the hiring of a TIF consultant. City staff received two proposals and is recommending the hiring of TESKA Associates. TESKA Associates will work with the City on the three major tasks of the development of a TIF District

which is the development of an Eligibility Study, the development of a Redevelopment Plan and Adoption. Since the City is proposing three TIF districts TESKA has proposed a fee of \$97,500 which includes a \$10,000 discount because of cost efficiencies of working on three TIF districts and because of previous work done in the City. Their normal fee for one TIF district is \$37,500 which includes a discount of \$2,500.

Kon Savoy from TESKA Associates will be at the City Council meeting to lead a discussion on what is a TIF District and why for Rochelle. This item has also been reviewed by the Administrative Committee and was recommended for approval.